

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7653

Investigation into the indirect acquisition of a)
controlling interest in Ascutney Mountain Water)
Public Service Company ("Company") by UTVT)
Holdings, Inc., without the prior approval of the)
Public Service Board under 30 V.S.A. § 107, and)
into disputes related to the change in control that)
may affect the Company's operations)
)

Order entered: 9/16/2010

**ORDER OPENING AN INVESTIGATION AND NOTICE OF PREHEARING
CONFERENCE**

I. BACKGROUND

On July 22, 2010, Steven Plaustainer filed a letter with the Public Service ("Board") informing the Board that UTVT Holdings, Inc. has acquired all the membership interests in Snowdance LLC. Snowdance LLC is the sole owner of Ascutney Mountain Water Public Service Company ("Company"), which was issued a Certificate of Public Good by the Board in Docket 7344 on October 17, 2008. Mr. Plaustainer states that, prior to the acquisition of Snowdance LLC by UTVT Holdings, Inc., Mr. Plaustainer owned 35% of Snowdance LLC and Susan Plaustainer owned a 30% interest. Mr. Plaustainer requested that the Board approve the change of ownership under 30 V.S.A. § 107.¹

The Vermont Department of Public Service ("Department") made a filing with the Board on July 30, 2010, to which it attached a letter, dated July 25, 2010, that Mark Blundell, the Chief Executive Officer of UTVT Holdings, Inc. sent to the Department and the Vermont Agency of

1. In addition to being filed after the acquisition was completed, Mr. Plaustainer's letter was deficient as a petition under 30 V.S.A. § 107. Section 107(b) requires the acquiring company to file a petition describing the acquisition and setting forth the reasons why such an acquisition should be approved.

Natural Resources. The Department observes that statements made in the letters of Mr. Plaustainer and Mr. Blundell indicate that there are significant disputes related to the change in ownership of Snowdance LLC that "clearly have the potential to severely affect the operation of the water system serving the Ascutney Mountain area." The Department recommends that the Board initiate an investigation to review Mr. Plaustainer's request.

II. DISCUSSION AND CONCLUSIONS

Based on the Department's recommendation and the Board's review of the letters of Mr. Plaustainer and Mr. Blundell, the Board concludes that an investigation of this matter is appropriate. The scope of this investigation shall be as follows:

(A) to review the acquisition of a controlling interest in the Company, without the prior approval of the Board, by UTVT Holdings, Inc., and to issue an order with respect to such acquisition as appropriate;

(B) to review the issues and disputes related to the change in ownership of the Company and to seek appropriate resolution of these issues and disputes in so far as these issues and disputes have the potential to materially affect the ability of the Company to provide adequate water service to its customers; and

(C) to take other actions as appropriate, within the Board's authority, to protect the interests of the Company's customers.

Section 107(c) of Title 30 sets forth certain options available to the Board with respect to acquisitions of controlling interests that occur without prior Board approval:

(c) If any company acquires such a controlling interest without the prior approval of the public service board, the board may then, after due notice and opportunity for hearing,

- (1) approve the acquisition; or
- (2) modify any existing certificates or orders authorizing either or both companies to own or operate a public utility business under the provisions of this title; or
- (3) revoke any such existing certificates or orders, or revoke any orders approving the articles of incorporation of such companies; or
- (4) declare the acquisition null and void, all as necessary to promote the public good.

The Board wishes to emphasize that the scope of this investigation is not to review or resolve all disputes between the Plausteiners and UTVT Holdings, Inc., but to focus exclusively on issues that have the potential to materially affect the ability of the Company to provide adequate water service to its customers.

III. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. Pursuant to 30 V.S.A. §§ 107, 203, and 209, an investigation is commenced concerning the indirect change in ownership of Ascutney Mountain Water Public Service Company as set forth above.
2. Pursuant to 30 V.S.A. § 8, Lars Bang-Jensen, Staff Attorney, is appointed to serve as the Hearing Officer for this Docket.
3. Pursuant to 30 V.S.A. Section 10, the Hearing Officer will hold a prehearing conference in this matter on Tuesday, September 28, 2010, commencing at 1:30 P.M., at the Public Service Board Hearing Room, Third Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont.

Dated at Montpelier, Vermont, this 16th day of September, 2010.

<u>s/ James Volz</u>)	
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<u>s/ David C. Coen</u>)	
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<u>s/ John D. Burke</u>)	

PUBLIC SERVICE
BOARD
OF VERMONT

OFFICE OF THE CLERK

FILED: September 16, 2010

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)